

# National Milk Producers Federation

National Milk Producers Federation • 2101 Wilson Blvd., Arlington, VA 22201 • 703-243-6111 FAX 703-841-9328

Agri-Mark, Inc.  
Arkansas Dairy Cooperative Association  
Associated Milk Producers, Inc.  
California Dairies, Inc.  
Cass-Clay Creamery, Inc.  
Continental Dairy Products, Inc.  
Cooperative Milk Producers Assn.  
Dairy Farmers of America, Inc.  
Dairymen's Marketing Cooperative, Inc.  
Dairylea Cooperative Inc.  
Ellsworth Cooperative Creamery  
Farmers Cooperative Creamery  
First District Association  
Foremost Farms USA  
Just Jersey Cooperative, Inc.  
Land O'Lakes, Inc.  
Lone Star Milk Producers, Inc.  
Manitowoc Milk Producers Coop.  
MD & VA Milk Producers Cooperative Association, Inc.  
Michigan Milk Producers Assn.  
Mid-West Dairymen's Company  
Niagara Milk Cooperative, Inc.  
Northwest Dairy Association  
Prairie Farms Dairy, Inc.  
St. Albans Cooperative Creamery, Inc.  
Scioto County Co-op Milk Producers' Assn.  
Select Milk Producers, Inc.  
Southeast Milk, Inc.  
Swiss Valley Farms, Co.  
Tillamook County Creamery Assn.  
United Dairymen of Arizona  
Upstate Farms Cooperative Inc.  
Zia Milk Producers

June 10, 2005

The Honorable Kevin P. Brady  
United States House of Representatives  
428 Cannon House Office Building  
Washington, DC 20515

Dear Congressman Brady:

**Perhaps you are asking yourself – “Why is the National Milk Producers Federation (NMPF) supporting CAFTA”?**

***The answer is simple – NMPF evaluates each trade agreement on its own merits and CAFTA is a good deal for America's 70,000 dairy producers and the entire dairy industry as well.***

Some have argued that we are being naive in supporting this agreement because of the risks trade can pose to the U.S. dairy industry. They have contended that we are being short-sighted in advocating for individual agreements that are indeed beneficial to our producers because of the larger potential risks that lie down the road. We feel that our critics—although well intended—should do as we are doing – exercising courage and leadership to do the right thing.

Many in the dairy and agricultural industry also believed several years ago that there was little potential and lots of risk in more open trade with Mexico. Consequentially, they opposed opening trade with Mexico as part of the North American Free Trade Agreement. That fear has proven to have been unfounded.

In fact, today Mexico is our number one dairy export market. In 1993, the year before NAFTA took effect, our dairy exports to Mexico were \$250 million, most of which were government disposal exports, not commercial sales. By 2004, our dairy exports had risen to \$385 million, the strong majority of which are the result of established commercial relationships rather than government policy which is subject to WTO limitations and reductions.


***Let me assure you, NMPF is not betting the farm on free trade! We are, however, staking the future of our industry on seizing all available chances to increase the economic well-being of America's dairy producers.***

Given the nature of dairy trade today, we simply cannot turn our backs on opportunities to increase dairy producers' income. In CAFTA these benefits are predicted to be enjoyed by the vast majority of American agricultural industries. *By contrast, in other FTAs, like that with Australia or a potential agreement with New Zealand, U.S. agriculture finds itself in the position of playing defense not only on dairy products, but for a host of other agricultural*

*products. Moreover, benefits to U.S. agriculture as a whole in FTAs with countries like these are marginal at best.*

**The support NMPF has shown for CAFTA-DR is not a blanket endorsement of all trade agreements.** This trade agreement is very different from free trade with Oceania in that it does offer benefits to the dairy sectors of both the U.S. and the CAFTA-DR countries, in addition to benefiting the vast majority of U.S. agricultural industries. ***For this reason, NMPF urges you to support America's dairy industry and rural communities by voting in favor of CAFTA-DR.***

Sincerely,

A handwritten signature in black ink that reads "Jerry Kozak". The signature is written in a cursive, flowing style. The first name "Jerry" is written above the last name "Kozak". The signature is set against a light green rectangular background.

Jerry Kozak  
President and CEO